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ED STATES
XCHANGE COMMISSION
on, D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

| OMB APPROVAL | |
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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Murphy & Durieu

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

120 Broadway - 17th Floor

(No. and Street)

New York

NY

10271

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Richard Petri

212-618-0962

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Pricewaterhouse Coopers, LLP.

(Name - if individual, state last, first, middle name)

1177 Avenue of the Americas

New York

NY

10036

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 29 2004

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FINANCIAL

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Richard J. Murphy, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Murphy & Durieu, as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

KATHLEEN MILORA
Notary Public, State of New York
No. 01MI4907666
Qualified in Richmond County
Commission Expires October 13, 2005

Kathleen Milora
Notary Public

[Signature]
Signature
General Partner
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ Statement of Cash Flow

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Murphy & Durieu
Statement of Financial Condition
December 31, 2003

Assets

| | |
|---|----------------------|
| Cash and cash equivalents | \$ 227,129 |
| Cash segregated under federal regulations | 10,000 |
| Deposits with clearing and service organizations | 643,329 |
| Receivable from brokers, dealers and clearing organizations | 4,919,244 |
| Securities owned, at market value, held at clearing broker | 3,828,421 |
| Securities borrowed | 3,042,390 |
| Secured demand notes receivable collateralized by cash and marketable securities | 1,810,000 |
| Cash surrender value of life insurance | 800,000 |
| Furniture, fixtures, equipment and leasehold improvements, at cost (net of accumulated depreciation and amortization of \$1,330,378) | 125,626 |
| Other assets | 134,050 |
| Total assets | <u>\$ 15,540,189</u> |

Liabilities and Partners' Capital

| | |
|---|----------------------|
| Employee compensation and benefits | \$ 4,592,812 |
| Payable to brokers, dealers and clearing organizations | 4,030,288 |
| Securities sold, not yet purchased, at market value | 2,255,877 |
| Accrued expenses and other liabilities | 1,356,197 |
| | <u>12,235,174</u> |
| Commitments, contingencies and guarantees | - |
| Liabilities subordinated to claims of general creditors | <u>1,810,000</u> |
| Partners' capital | <u>1,495,015</u> |
| Total liabilities and partners' capital | <u>\$ 15,540,189</u> |

The accompanying notes are an integral part of these financial statements.